



Sean Rogan
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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Hilda L. Solis
Mark Ridley-Thomas
Sheila Kuehl
Don Knabe
Michael D. Antonovich
Commissioners

March 31, 2015

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

1-D March 24, 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

**APPROVE AN AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH DREAM AMERICA
COMMUNITY DEVELOPMENT CORPORATION FOR DISPOSITION AND DEVELOPMENT OF
SCATTERED SITES IN UNINCORPORATED ATHENS AND WILLOWBROOK
(DISTRICT 2) (3 VOTE)**

SUBJECT

This letter recommends that your Board approve an Agreement to Negotiate Exclusively (ANE) between the Community Development Commission of the County of Los Angeles (Commission) and Dream America Community Development Corporation (Dream America) for the land disposition of seven scattered sites and development of 18 detached single-family homes, which will be reserved for sale to low-income homebuyers.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve an ANE with a 180-day term, presented in substantially final form, between the Commission and Dream America Community Development Corporation, for the land disposition of seven scattered sites and development of 18 scattered detached single-family homes in unincorporated Athens and Willowbrook.
2. Authorize the Executive Director, or his designee, to negotiate, execute, and, if necessary, amend or terminate the ANE and all related documents with Dream America, following approval as to form by County Counsel and execution by all parties.
3. Authorize the Executive Director, or his designee to extend the term of the ANE for a maximum of two 90-day extensions, if needed.

4. Find that approval of an ANE, as described herein is not subject to the provisions of the California Environmental Quality Act (CEQA), because the action will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to authorize the Commission to negotiate exclusively the terms of a Disposition and Development Agreement (DDA) with Dream America, for the disposition of seven non-contiguous Commission-owned parcels located at 11137 Budlong Avenue, 1228 W. 93rd Street, 1346 W. 93rd Street, 1310 W. 94th Street, 1307 W. 109th Street, 1932 E. 119th Street, and 2026 E. 119th Street (Sites), in unincorporated Athens and Willowbrook. The Sites will be used for the development of 18 detached single family homes, which will be reserved for sale to low-income homebuyers.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 11, 2008, the Commission issued a Request for Proposals for the development of 12 non-contiguous Commission-owned parcels. Three proposals were submitted by the March 28, 2008 deadline and Mayans Development Inc. (Mayans) was selected.

On October 17, 2008 your Board approved a one-year ANE between the Commission and Mayans; however, due to the national housing crisis and prolonged unfavorable market conditions for home sales, the project did not proceed.

Based on improving economic conditions, on October 18, 2011, your Board authorized the Commission to enter into a Development Consultant Agreement with Mayans' non-profit affiliate, Dream America, to secure approval of the Tentative Tract maps on 7 of the 12 original Sites. The Tentative Tract maps were approved in December 2014 and January 2015.

The Development Consultant Agreement included a provision for Dream America to become the developer upon conclusion of the entitlements, if the Commission decided to proceed. As a result of the improved market conditions, the Commission now requests authorization to execute an ANE with Dream America in order to negotiate a DDA to complete the project.

During the negotiation period provided by the ANE, the Commission will retain ownership of the properties and Dream America will assume responsibility for securing final map approvals and financing needed to construct and sell the single family homes. Upon the conclusion of the negotiations, the Commission will return with a negotiated DDA for your Board's approval, with the intent to reserve all homes for low-income qualified first-time homebuyers whose incomes do not exceed 80% of the Area Median Income for the Los Angeles/Long Beach Metropolitan Statistical Area, adjusted for family size, as established by the U.S. Department of Housing and Urban Development.

ENVIRONMENTAL DOCUMENTATION

This action is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment.

The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

This ANE does not commit the Commission to a particular course of action, and is not subject to the requirements of CEQA or NEPA. All CEQA and NEPA environmental review requirements must be completed prior to Board approval of the DDA committing the Commission to this project.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this ANE will allow the Commission to negotiate terms of a DDA with Dream America, which will result in the development and sale of single family homes and will make available homeownership opportunities for first-time low-income buyers within the County of Los Angeles.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN

Executive Director

SR:CC:lk

Enclosures

AGREEMENT TO NEGOTIATE EXCLUSIVELY

by and between

COMMUNITY DEVELOPMENT COMMISSION

OF THE COUNTY OF LOS ANGELES

and

DREAM AMERICA

COMMUNITY DEVELOPMENT CORPORATION

APRIL 2015

**ATHENS / WILLOWBROOK SCATTERED SITES DEVELOPMENT
AGREEMENT TO NEGOTIATE EXCLUSIVELY**

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (the "Agreement") is entered into this _____ day of April, 2015, by and between the COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES, a public body, corporate and politic (the "Commission"), and DREAM AMERICA COMMUNITY DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation (the "Developer"), on the terms and conditions set forth below. The Commission and the Developer are sometimes referred to collectively herein as the "Parties" and each individually as a "Party."

RECITALS

- A. WHEREAS, the Commission issued a Request for Proposals ("RFP") on February 11, 2008, for the development of certain real property located at 11137 Budlong Avenue, 1228 W. 93rd Street, 1346 W. 93rd Street, 1310 W. 94th Street, 1307 W. 109th Street, 1932 E. 119th Street, and 2026 E. 119th Street (the "Sites") in the unincorporated Athens and Willowbrook areas of the County of Los Angeles; and in response to the RFP Mayans Development, Inc., a for profit affiliate of Developer, was selected to receive an Agreement to Negotiate Exclusively ("ANE") in accordance with the RFP's requirements.
- B. WHEREAS, on October 17, 2008, following approval by the Housing Commission in October 2008, the Board of Commissioners of the Commission of the County of Los Angeles ("Board of Commissioners") approved an ANE with Mayans Development, Inc. ("Mayans") to negotiate a Disposition and Development Agreement ("DDA") to complete the project.
- C. WHEREAS, said ANE was executed on October 29, 2008, but the project was suspended by mutual consent due to the impact of the economic environment on the for-sale housing market.
- D. WHEREAS, on October 18, 2011, the Board approved the Commission to enter into a Development Consultant Agreement with the Developer, nonprofit affiliate to Mayans Development, Inc., for purposes of securing approval of the Tentative Tract maps on 7 of the 12 original Sites.
- E. WHEREAS, the Development Consultant Agreement scope of work was completed by the Developer in December and January of 2014-2015.
- F. WHEREAS, the Commission now seeks to move forward with the development of the Sites with the Developer and desires to enter into a new Agreement to Negotiate Exclusively ("Agreement") for the purpose of negotiating the terms of, and preparing a DDA.

NOW, THEREFORE, the Parties agree to negotiate exclusively and in good faith to enter into a DDA upon the following terms and conditions:

[100] Duration of this Agreement

The Parties agree to negotiate in good faith for a period of one hundred and eighty (180) days from the date first above written, plus a maximum of two 90-day extensions, if mutually agreed to by the Executive Director of the Commission and the Developer ("Negotiation Period"). If, upon expiration of the Negotiation Period, the Developer has not signed and submitted a DDA satisfactory to the Commission, this Agreement shall automatically terminate. The Board of Commissioners has authorized the extension of this Agreement at the discretion of the Executive Director of the Commission.

[200] Good Faith Negotiations

The Commission and the Developer agree during the Negotiation Period set forth above to negotiate diligently and in good faith to prepare the DDA for execution by the Developer and for submission and approval by the Board of Commissioners, in the manner set forth herein with respect to the development as referenced in Section 300 herein (the "Scope of Development"). The Commission agrees, for the Negotiation Period, not to negotiate with any other person or entity regarding development or transfer of the Site. During the term of this Agreement, the Commission shall keep confidential all information, plans, projections, and reports provided to the Commission by the Developer in connection with the review, evaluation, and development of the Site and shall not disclose any such material to any third party, except to the extent required by law, without the express written consent of the Developer.

In the event at any time during the Negotiation Period the Developer does not negotiate diligently and in good faith as determined by the Commission in its reasonable discretion, the Commission shall give written notice thereof to the Developer who shall then have thirty (30) business days to negotiate in good faith to the satisfaction of the Commission. Following the receipt of such notice and the failure of the Developer to thereafter negotiate in good faith within said thirty (30) business days, this Agreement may be terminated upon written notice by the Executive Director of the Commission.

Except as provided in the preceding paragraph, upon termination of this Agreement on or before the expiration of the Negotiation Period (which may include any authorized extension of the original 180-day period), neither party shall have any further rights against or liability to the other under this Agreement.

If a DDA is approved and executed by the Commission and the Developer, the DDA shall thereafter govern the rights and obligations of the parties with respect to the Development and shall supersede this Agreement.

[300] Scope of Development

The negotiations between the Developer and the Commission shall be for the disposition, construction and sale of the Development that was proposed by the Developer. The Developer Proposal is incorporated into this Agreement by reference, as though fully set

forth herein.

[400] Intentionally Left Blank

[500] The Developer

Developer is a nonprofit public benefit corporation of Dream America Community Development Corporation, and its affiliate Mayans Development, Inc., have over 27 years of experience assisting cities throughout California with solving the critical shortage of affordable housing in urban areas.

[501] Nature of the Developer

The Developer is a California nonprofit public benefit corporation.

[502] Office of the Developer

The principal office of the Developer is:
Dream America Community Development Corporation
c/o Mayans Development, Inc.
22343 La Palma Ave., Ste. 132
Yorba Linda, CA 92887
ATTENTION: Robert Quintero, President

[503] Full Disclosure

The Developer shall make full disclosure to the Commission of its principals, board members, major partners, joint venture partners, key managerial employees and other associates (collectively, "principals"), and all other material information concerning the Development, including education, experience, and qualifications of Developer and its principals whose identities, development experience, and qualifications are of great importance to the Commission and are the basis for the Commission to enter into this Agreement.

Any change of the principals of the Developer directly involved with the development of the Site, with the exception of board members, must be approved by the Commission in its sole discretion during the term of this Agreement.

[600] Developer Financial Capacity and Financial Ability

Prior to approval and execution of the DDA by the Developer and the Commission, the Developer shall submit to the Commission evidence of its ability to finance the construction of the Development to the satisfaction of the Commission in its sole and reasonable discretion.

[700] Developer Pre-development Activities

During the Negotiation Period, the Developer will conduct due diligence activities that may include, but are not limited to, an appraisal, market study, Phase 1 and Phase 2 environmental investigation, as well as financial and legal consultations.

[701] ~~Public Participation~~Reserved

~~During the Negotiation Period, the Developer must hold public meetings to obtain public comment on the proposed Development and be prepared to report on and respond to questions and comments by the Commission.~~

[702] Developer's Findings, Determinations, Studies and Reports

Upon reasonable notice, as requested by the Commission in its sole discretion, the Developer shall provide written progress reports to the Commission on any matters, including plans and studies related to the Development.

[800] Reserved

[801] Office of the Community Development Commission of the County of Los Angeles

Community Development Commission
of the County of Los Angeles
700 West Main Street
Alhambra, CA 91801
ATTENTION: Cordé Carrillo, Director
Economic and Housing Development Division

The Director of the Economic and Housing Development Division is the Commission's authorized representative to administer and implement this Agreement, subject to any appropriate approvals of the Executive Director of the Commission and Board of Commissioners.

[900] Authority Assistance

The Commission will assist the Developer by providing appropriate information for the completion of the DDA, as the Commission determines in its sole discretion.

[1000] Limitations of this Agreement

This Agreement does not constitute a commitment of any kind by the Commission regarding the sale, transfer, or development of all or any part of the Site. Execution of this Agreement by the Commission is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the Board of Commissioners as to any DDA and all proceedings and decisions in connection therewith.

(Signature Page to Follow)

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year first above written.

**COMMUNITY DEVELOPMENT
COMMISSION
OF THE COUNTY OF LOS ANGELES,**
a public body, corporate and politic

**DREAM AMERICA
COMMUNITY DEVELOPMENT
CORPORATION,**
a California nonprofit public benefit corporation

SEAN ROGAN, Executive Director

ROBERT QUINTERO, President

APPROVED AS TO FORM:
Mark J. Saladino, County Counsel

BEHNAZ TASHAKORIAN, Deputy